REMARKS/ARGUMENTS

Prior to the present amendments, claims 52, 54, 55 and 57-59 were pending in this application and were rejected on various grounds. Claims 52, 58 and 59 have been canceled. The cancellations were made without disclaimer or prejudice. Applicants specifically reserve the right to pursue any deleted subject matter in one or more continuing applications. The current claim amendments are believed to place the application in condition for allowance or, at least, in a better form for consideration on appeal, therefore, their entry after final rejection is respectfully requested.

In the following arguments, the outstanding rejections are addressed using the paragraph numbering of the Office Action.

Re 5: Claim 52 has been rejected under 35 U.S.C. §112, first paragraph as allegedly including new matter, since the phrase "exhibits anti-inflammatory properties," has been held to represent "a departure from the specification and the claims as originally filed." The rejection is moot in view of the cancellation of claim 52, which was done without prejudice and without acquiescence to this rejection.

Re 8: Claims 52, 54-55 and 57-59 remain rejected under 35 U.S.C. §101 for allegedly not being supported by either a specific and/or substantial asserted utility or a well established utility "for the same reasons set forth in the previous Office Action mailed 9/14/05." In addressing the Declaration of Dr. Menno van Lookeren ("the van Lookeren Declaration"), submitted with Applicants' prior response, the Examiner points out that the specification asserts that PRO362 is a proinflammatory molecule, while the van Lookeren Declaration provides evidence for an anti-inflammatory activity. Thus, according to the rejection, the van Lookeren Declaration is "contradictory and provides mutually exclusive function regarding the asserted activity of the claimed PRO362 polypeptide of SEQ ID NO: 2 (i.e., anti-inflammatory vs. proinflammatory properties)."

Claims 52, 58 and 59 have been canceled. The rejection of the remaining claims is respectfully traversed.

Even if the alleged contradiction between certain parts of the specification and the van Lookeren Declaration existed, which we do not admit, the overall disclosure of provided in the specification clearly establishes an association between PRO362 and inflammation. Indeed, at the end of Example 9 it is specifically stated that it is likely that PRO362 would have elevated expression in inflammatory human disease, such as inflammatory bowel disease and other inflammatory diseases of the gut. Based on this statement and the overall teaching of the specification, including the description of diagnostic and prognostic uses on page 48, lines 13-31, one of ordinary skill would clearly understand that PRO362 can be used as a diagnostic marker of immune related diseases, in particular inflammatory diseases. Such diagnostic utility does not depend on whether PRO362 is an anti-inflammatory or pro-inflammatory molecule. As long as it show elevated expression in inflammatory conditions, it can be used to diagnose such conditions.

Since the specification clearly establishes at least one substantial, specific and credible asserted utility for PRO362, the invention as currently claimed complies with the requirements of 35 U.S.C. §101, and the withdrawal of the present rejection is respectfully requested.

Re 9: Claims 52, 54-55 and 57-59 have been rejected under 35 U.S.C. §112, first paragraph, since as "the invention is not supported by either a specific and/or substantial asserted utility or a well established utility for the reasons set forth above, one skilled in the art clearly would not know how to use the claimed invention so that it would operate as intended without undue experimentation.

In addition, the Examiner asserts that the specification does not provide enough guidance for making polypeptides "having at least 95% amino acid sequence identity" to the amino acid sequence of SEQ ID NO: 2, or other amino acid sequences recited in the claims.

The cancellation of claims 52, 58 and 58 moots their rejection. The rejection of claims 54, 55 and 57 is respectfully traversed.

Since the current claims no longer recite a 95% amino acid sequence identity, the rejection based on alleged lack of sufficient teaching for how to make the claimed invention is believed to be moot.

Furthermore, in response to the previous rejection, based on alleged lack of utility,

Applicants have shown that the specification supports at least one specific, substantial asserted

utility for the claimed invention. Based on this teaching, one of ordinary skill in the art would

clearly know how to used the invention claimed, and the Examiner is respectfully requested to

reconsider and withdraw the present rejection.

The present application is believed to be in *prima facie* condition for allowance, and an

early action to that effect is respectfully solicited.

Please charge any additional fees, or credit overpayment to Deposit Account No. <u>08-1641</u>

(Attorney's Docket No. 39780-1216 R1C1D1). Please direct any calls in connection with this

application to the undersigned at the number provided below.

Respectfully submitted,

Date: October 3, 2006

Ginger R. Dreger Reg. No. 33,055

HELLER EHRMAN LLP

275 Middlefield Road

Menlo Park, California 94025

Telephone: (650) 324-7000

Facsimile: (650) 324-0638

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